

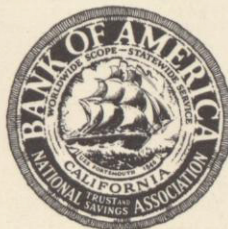
CLEVELAND PUBLIC LIBRARY  
BUSINESS INFORMATION BUREAU  
CORPORATION FILE



# ANNUAL REPORT

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### THE LITTLE FELLOW'S BANKER

It is no myth that A. P. Giannini, founder of Bank of America, was truly the little fellow's friend, the little fellow's banker. One of the foundation stones of our bank is service to the small depositor and the small borrower. Our system of branch banking, which equips us to meet the exacting requirements of vast business and industrial enterprises, actually came into being through the determination of A. P. to safeguard the interests of the depositor and make banking services available to everyone.

Today, the bank is a monument to his vision, his energy, and his fundamental desire to serve his fellow human beings.

The history of our bank is a history of service. Time and again we have led lending institutions in financing small home construction. In the personal loan field, Californians have saved millions of dollars because A. P. Giannini pioneered the extension of instalment bank credit on a statewide basis. The constructive program of California's junior farmers has made it possible for thousands of boys and girls to develop a sense of initiative and responsibility. Through school savings, another service which A. P. personally developed, our young people in many sections of the state learned early the value of thrift and the importance of systematic saving. All phases of business, industry and agriculture draw upon the extensive facilities which the bank provides.

A. P. never forgot a name or a friend. His amazing memory constantly astounded associates. At any large gathering he would greet by name friends he had not seen for years, ask about their wives and youngsters, and perhaps remind them of a business transaction long past.

The interest of A. P. in the little fellow came from a sincere and deeply felt desire to be helpful. Even in his early days of banking, when every dollar was particularly important, A. P. helped small farmers who were struggling to earn a living, by making loans solely on character.

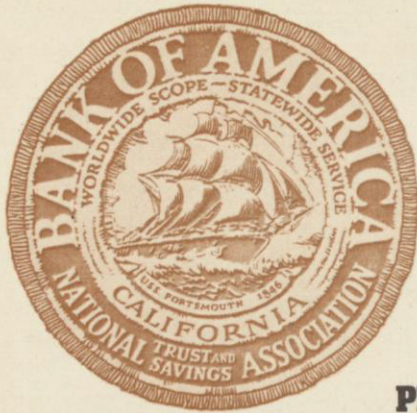
In a reminiscent mood, he once commented:

"Yes, I was glad to make those loans. . . . A banker should have a hand ready to help everyone worthy of aid when dark days come along. I often like to think that I've helped clothe and feed and educate some small boy in the Napa Valley who, 50 years later, may make a contribution in the world of medicine that will ease men's pain in centuries of better living to come. I like to think that I've helped clothe and educate some little girl in the San Fernando Valley who, one day, may write a great book that will warm many a human heart in years ahead. I like to think that some child I've helped in the Santa Clara Valley may some day contrive a new fruit or a new gadget that will make life a little easier and a little richer."

He stopped abruptly, then added brusquely, "We never lost a penny in any of those small loans, you know."

—from "THE LITTLE FELLOW'S FRIEND"





## PRESIDENT'S REPORT TO THE STOCKHOLDERS

San Francisco, California

January 9, 1951

**1950** was a year of exceptional industrial

effort and business activity in California and throughout the Nation, a year of crises and stupendous problems, a year in which the strength and usefulness of our institutions, and their ability to rise to the occasion, were put to the test. With these conditions in mind, I am pleased to report the position and progress of our bank by these comparisons of year-end figures for 1950 and 1949:

- Total resources rose to \$6,863,358,214 from \$6,250,402,352.
- Deposits, exceeding six billion dollars at the year-end for the first time, totaled \$6,191,705,871, in comparison with \$5,775,110,029.
- Loans outstanding established a new high at \$3,256,953,558, rising from \$2,804,522,646.
- In the shift of more funds to loans, investments in securities were reduced to \$2,243,415,017 from \$2,322,505,622. Among investments, United States Government obligations, direct and fully guaranteed, totaled \$1,552,106,669, in comparison with \$1,795,494,070.
- Capital funds and Reserve for Possible Loan Losses totaled \$446,923,858, compared with \$356,326,220.



## EARNINGS AND TAXES

WITH REFERENCE TO EARNINGS, the year's gross rose in response to our expanding operations, while the net showed the impact of higher taxes.

Current operating earnings of 1950 totaled \$216,962,502, current operating expenses and taxes consumed \$160,160,171, and this left \$56,802,331 as net current operating earnings. For comparison, current operating earnings of 1949 totaled \$195,436,032, expenses and taxes took \$134,307,832, and \$61,128,200 remained as net current operating earnings.

After crediting Reserve for Possible Loan Losses with \$5,000,000, there remained \$51,802,331 as net profits from 1950 operations, against \$52,128,200 in 1949 after transfer of \$9,000,000 to the reserve. These profits do not include recoveries which were credited directly to reserves.

Direct taxes provided by the bank for federal, state and municipal governments, aggregating some \$47,000,000, were \$19,000,000, or 68 per cent, higher than the corresponding payments in 1949. This tax increase was the equivalent of 85 cents a share on the average number of new par value shares outstanding in 1950. Total direct taxes amounted to \$2.11 a share. Giving effect to a stock-split and to new financing, an average of 22,238,052 shares was outstanding during the year. On this average, the year's net profits were equal to \$2.33 a share. On an adjusted basis, net profits of 1949 were equal to \$2.55 a share on 20,476,104 shares.

## DIVIDENDS

DIVIDENDS AGGREGATING \$1.50 A SHARE, totaling \$33,533,273, were paid during 1950. This compares with payments at the adjusted figure of \$1.25 a share, totaling \$25,595,130, in 1949. Quarterly distributions of 35 cents each in March and June and 40 cents each in September and December, gave stockholders a 20 per cent increase in dividend payments over the previous year, their sixth increase in annual dividend income in six years. On an adjusted basis, dividends paid in 1950 were two and one-half times those paid six years ago. Payment of 80 cents a share in the last half of 1950 placed the stock on an annual dividend basis of \$1.60 a share.

CALIFORNIA GROWTH SINCE 1940  
53% MORE POPULATION





## SUMMARY OF EARNINGS 1950

### CURRENT OPERATING EARNINGS:

Interest on loans . . . . .	\$149,722,201	
Interest and dividends on securities (after amortization) and net loss of \$174,965 from sales of securities . . .	34,839,087	
Other current operating earnings . . .	32,401,214	
		<u>\$216,962,502</u>

### CURRENT OPERATING EXPENSES:

Interest paid . . . . .	\$ 33,414,920	
Salaries and wages (including employees' profit-sharing bonus participation of \$6,574,836) . . . . .	57,998,287	
Provision for taxes and assessments . . .	49,624,800	
Other current operating expenses . . .	19,122,164	
		<u>\$160,160,171</u>

**NET CURRENT OPERATING EARNINGS** . . . . . \$ 56,802,331

Addition to Reserve for Possible Loan Losses\* . . . 5,000,000

**NET PROFITS** . . . . . \$ 51,802,331

**DIVIDENDS PAID** . . . . . \$ 33,533,273

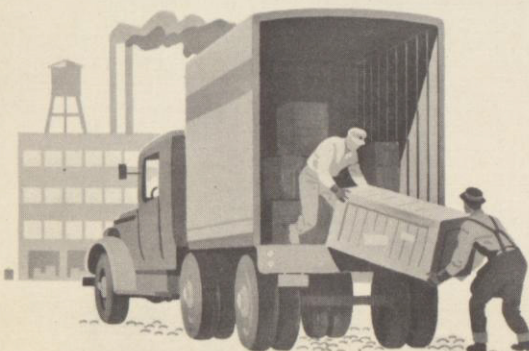
### ADDITION TO CAPITAL FUNDS FROM

**CURRENT EARNINGS\*** . . . . . 18,269,058

\$ 51,802,331

\*See "Earnings and Taxes" and "Changes in Capital Accounts."

CALIFORNIA GROWTH SINCE 1940  
74% MORE JOBS





## CHANGES IN CAPITAL ACCOUNTS

AT A SPECIAL MEETING held March 21, 1950, the stockholders approved a recommendation by the Board of Directors to change the par value of the stock, resulting in a two-for-one split and increasing the number of outstanding shares from 10,238,052 to 20,476,104, effective at the close of business March 31, 1950.

At a special meeting held May 2, 1950, the stockholders authorized issuance and sale of 3,523,896 additional shares, raising the number outstanding to 24,000,000.

Stockholders were given rights to purchase at \$20 a share 3,412,684 of the newly authorized shares on the basis of one new share for each six shares owned at the close of business May 11, 1950, and to purchase the remaining 111,212 shares at \$24 each, in the ratio of one new share for each 184 shares owned on the same record date.

The new stock issue was oversubscribed. There were over 125,000 individual subscriptions, with purchases averaging 30 shares. This financing brought us about 20,000 new stockholders. The operation, by which \$71,417,888 was raised, was completed at a total cost of \$493,538, or less than 7/10ths of 1 per cent of the amount obtained, establishing something of a record in both size of undertaking and low cost of financing.

Subscriptions for new shares produced an increase of \$22,024,350 in paid-in capital, and an increase of \$48,900,000 in the surplus account. Addition to capital funds from earnings of 1950 amounted to \$18,269,058. During the year, \$2,350,000 was transferred from Undivided Profits to Surplus. As a result of these additions and changes, capital funds totaled \$399,911,277 at December 30, 1950, consisting of \$150,000,000 Capital, \$166,000,000 Surplus, \$78,822,146 Undivided Profits, and \$5,089,131 contingency reserves.

Our Reserve for Possible Loan Losses has now been built up to \$47,012,581, after giving effect to the addition from 1950 earnings, to credits for recoveries, and to charges for losses written off during the year.

## DEPOSIT ACTIVITY

OUR DEPOSIT TOTAL at the close of 1950 consisted of \$3,498,624,893 in demand

CALIFORNIA GROWTH SINCE 1940  
INCOME MORE THAN TRIPLED





deposits and \$2,693,080,978 in savings and time deposits, representing increases for the year of \$371,211,428 and \$45,384,414 in the respective categories.

The increase in demand deposits was mainly a reflection of increased business activity and inflationary tendencies. The increase in savings and time deposits was brought about at least in part by the determination of California people to improve their financial position.

Promotion of thrift is one of our most important endeavors. In 1950, our school savings activity exceeded all previous records; over 395,000 children in more than two thousand California schools were saving money in our bank. In our Christmas and Thrift Clubs, companion facilities for systematic saving, approximately 260,000 participants enrolled last year accumulated upwards of \$25,000,000. An entirely new idea for savings, the Life Insured Savings Account, popularly known as LISA, was introduced by Bank of America in 1950.

LISA is a savings plan for determined people. In the financial career of most people, getting together the first thousand dollars is probably the most difficult as well as the most important accumulation. Success hinges on having a specific goal, a systematic plan for attaining it, and on being allotted the time in which to complete the program. The first two of these three essentials are within control of the saver; the third is not. LISA insures against failure of this third essential feature. If death terminates the program, group life insurance completes the saver's goal and gives his beneficiary the full amount he set out to accumulate.

Effective in September, insurance coverage of individual deposit accounts under Federal Deposit Insurance Corporation was increased from \$5,000 to \$10,000.

## LENDING ACTIVITY

GREATER USE OF BANK CREDIT was made in 1950 than in 1949. This was the generally prevailing condition throughout the country.

During the year, we made loans in the estimated total amount of \$4,384,000,000, and loan payments exceeded \$3,931,000,000. By the end of the year, our loans outstanding had increased \$452,430,912 to the total of \$3,256,953,558.

CALIFORNIA GROWTH SINCE 1940  
RETAIL TRADE MORE THAN TRIPLED





While we made loans during 1950 at the average monthly rate of about \$365,000,000, loans outstanding were liquidated at the average monthly rate of approximately \$328,000,000, resulting in an average monthly increase in loans outstanding of about \$37,000,000.

Instalment credit, Timeplan and other classes, was employed usefully and extensively throughout the year. Loans of this type, retail and wholesale, totaled about \$1,639,000,000 in the 12 months ended with November; loan payments approximated \$1,463,000,000; loans outstanding increased from about \$594,000,000 to \$770,000,000.

In the 12 months ended November 30, 1950, we accommodated borrowers with approximately \$463,000,000 of home loans and other real estate loans; payments on such loans totaled \$367,000,000; loans outstanding increased from about \$1,510,000,000 to \$1,606,000,000. At November 30, 1950, home loans and other real estate loans guaranteed under the "G. I. Bill" or insured under the National Housing Act amounted to about \$849,000,000, or 53 per cent of total real estate loans outstanding. Real estate loans outstanding averaged \$5,636.

## INVESTMENT PORTFOLIO

At December 30, 1950, our investments in securities were distributed as follows: \$1,552,106,669, or 69.2 per cent of the total, in United States Government issues, direct and fully guaranteed, \$415,105,438, or 18.5 per cent, in state, county, and municipal bonds, and \$276,202,910, or 12.3 per cent, in other bonds and securities.

Worth noting was the increase from \$317,136,956 to \$415,105,438 in various municipal issues, which provide tax-exempt income.

Our holdings of United States Government issues due or callable within five years totaled \$1,312,104,300 par value and constituted 85.6 per cent of the government portfolio on December 30, 1950. Holdings due or callable within one year totaled \$535,390,150 par value, or 34.9 per cent of the portfolio. At December 31, 1949, 87.9 per cent of United States Government issues owned by the bank were in maturities of not over five years, and 38.8 per cent were in maturities of one year or less.

CALIFORNIA GROWTH SINCE 1940  
CASH FARM INCOME TRIPLED





## THE LITTLE FELLOW'S BANK

ONE OF THE BEST MEASURES of a bank's usefulness to the community is the number of depositors and borrowers it serves. In November we were serving 4,338,930 deposit accounts, consisting of 1,521,370 checking and 2,817,560 savings accounts. These totals represented increases for the year of 82,399 checking and 168,513 savings accounts. Checking balances other than public deposits averaged \$1,567; savings balances averaged \$811.

In 1950, we made an estimated 2,470,000 loans and at the end of the year had an estimated 2,212,000 loans on the books. This latter total was composed of 116,000 commercial, industrial and agricultural loans, 528,000 loans to assist people to purchase or improve their homes or other real estate, and 1,568,000 small loans to individuals and business enterprises.

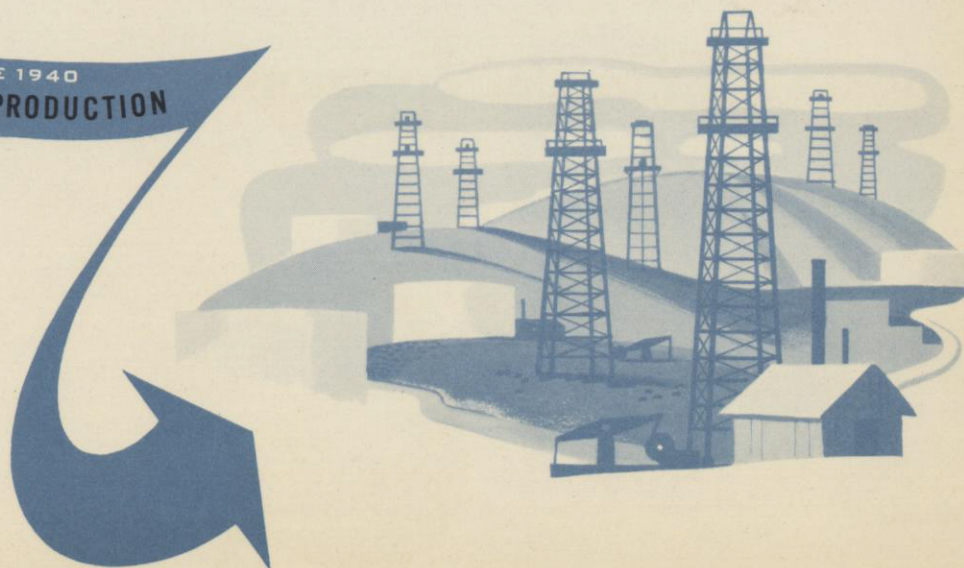
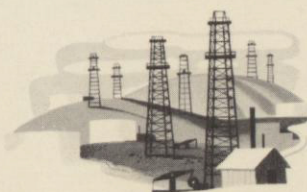
Through this performance, we carry on the tradition of our founder and continue our position as "The Little Fellow's Bank."

## TRUST DEPARTMENT

THE BENEFIT of well directed forward planning was evident in last year's record of the Trust Department. Wills in which our bank is named executor or co-executor are a major source of business for this department. Substantially increased business from this source occurred in 1950. This increase was largely the result of a considerable step-up, commencing four or five years ago, in the number of wills naming the bank.

By every comparison of service rendered and income earned, it was the department's best year. Our Common Trust Fund tripled in size, and returned to participants an income in excess of 4 per cent. The Trust Department was appointed trustee for numerous company pension plans, including those of some of the West's leading employers. Greatly expanded use was made of the living trust, investment management, and similar services. And, forerunner of future business, more wills naming the bank were filed than in any previous year.

CALIFORNIA GROWTH SINCE 1940  
142% INCREASE IN MINERAL PRODUCTION







**Bank of**  
NATIONAL TRUST & SAVINGS

## STATEMENT OF CONDITION

### RESOURCES

Cash in our vaults and on deposit with Federal Reserve Bank . . . . .	\$ 666,115,554.17
Cash on deposit with banks in New York, Chicago, and other cities, and cash items in process of collection . . . . .	467,440,435.11
<b>TOTAL CASH . . . . .</b>	<b>\$1,133,555,989.28</b>
United States Government obligations, direct and fully guaranteed . . . . .	\$1,552,106,669.42
State, county, and municipal bonds . . . . .	415,105,438.22
Other bonds and securities . . . . .	266,722,909.55
Stock in Federal Reserve Bank . . . . .	9,480,000.00
<b>TOTAL SECURITIES . . . . .</b>	<b>\$2,243,415,017.19</b>
We have loaned to our customers for use in their businesses, for the storing of commodities, for intermediate capital uses, for building, buying, or modernizing their homes, for financing automobile or household equipment purchases, and for other legitimate needs . . . . .	
	\$3,256,953,558.26
We have interest due us on bonds and loans (earned to the date of this statement), and accounts receivable . . . . .	
	26,806,195.03
We have customers' guarantees or securities for letters of credit and acceptances, and their obligations on endorsed bills and notes . . . . .	
	151,939,807.56
<b>TOTAL DUE US FROM CUSTOMERS . . . . .</b>	<b>\$3,435,699,560.85</b>
Bank buildings, furniture, fixtures, and safe deposit vaults. This figure represents the cost less depreciation reserve of \$25,432,747.50 . . . . .	
	\$ 49,390,639.62
Other real estate owned. This is real estate acquired in the settlement of debt, carried at less than cost or appraised value . . . . .	
	\$ 528,974.21
Other resources, including automotive equipment, deferred charges, etc. . . . .	
	\$ 768,032.39
<b>TOTAL RESOURCES . . . . .</b>	<b>\$6,863,358,213.54</b>

This statement includes figure  
Member Federal Reserve System . . . Mex  
Branches serv





**America**  
ND  
S ASSOCIATION

**ON DECEMBER 30, 1950**

## LIABILITIES

**Capital.** Representing the investment of approximately 180,000 stockholders . . . . . \$ 150,000,000.00

**Surplus.** Paid in by stockholders or accumulated from earnings . . . . . 166,000,000.00

**Undivided profits.** Profits accumulated and not distributed . . . . . 78,822,146.24

**Reserves.** Set aside out of accumulated profits by the Board of Directors, available as a reserve, in addition to Surplus and Undivided Profits, against normal contingencies . . . . . 5,089,130.30

**TOTAL CAPITAL FUNDS** . . . . . \$ 399,911,276.54

**Reserve for possible loan losses.** This reserve is to apply against any loan losses that may develop in the future; it has not been allocated to any particular loans or type of loans . . . . . \$ 47,012,581.21

**Demand deposits.** Funds placed with the bank by individuals, corporations, firms, banks, public officials, and the United States Government (payable on demand) . . . . . \$3,498,624,892.73

**Savings and time deposits.** Funds placed with the bank in savings accounts or for extended periods of time by individuals, corporations, firms, United States Government, State of California and political subdivisions thereof . . . . . 2,693,080,978.42

**TOTAL DEPOSITS** . . . . . \$6,191,705,871.15

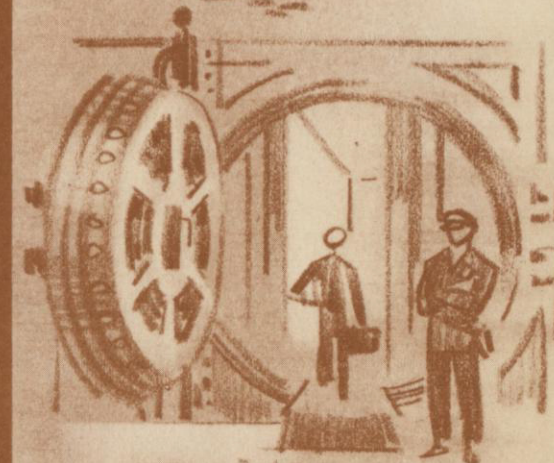
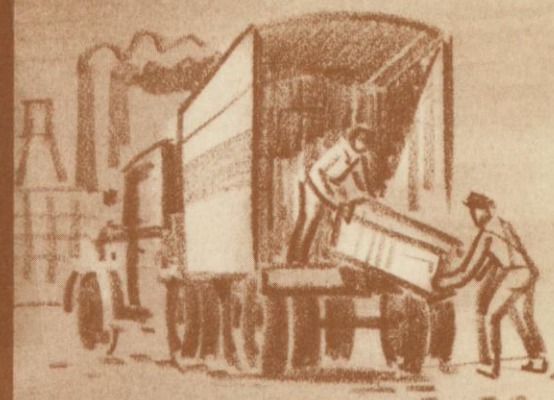
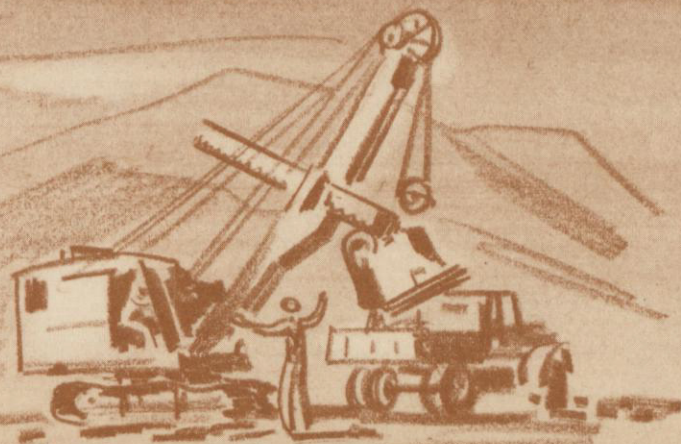
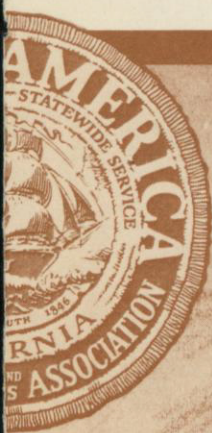
**We have issued letters of credit and accepted bills** on behalf of customers, and have endorsed bills and notes, all of which are secured by customers' obligations or collateral included in resources . . . . . \$ 155,184,956.98

**We have reserved for interest received in advance** on loans . . . . . \$ 22,106,157.42  
This amount will be taken into income as earned

**We have set aside as a reserve for interest payable** on time deposits and for taxes and other expenses . . . . . \$ 47,437,370.24

**TOTAL LIABILITIES** . . . . . \$6,863,358,213.54

s of the Bank's overseas offices  
Per Federal Deposit Insurance Corporation  
ing all California





## INTERNATIONAL BANKING

THROUGH our international banking services, in 1950 our position in the field of international finance was greatly enhanced. Deposits attributable to international activities showed greater growth than in any previous year.

The volume of our normal international business increased substantially. In addition, we rendered increasing aid in implementing the ECA program in Europe. We took an important part in World Bank and Export-Import Bank financing. We were increasingly useful to central banks and commercial banks in Europe, Latin America, and the Far East. To a greater extent than in any previous year, we were instrumental in finding overseas customers for American exporters and foreign sources of supply for American importers.

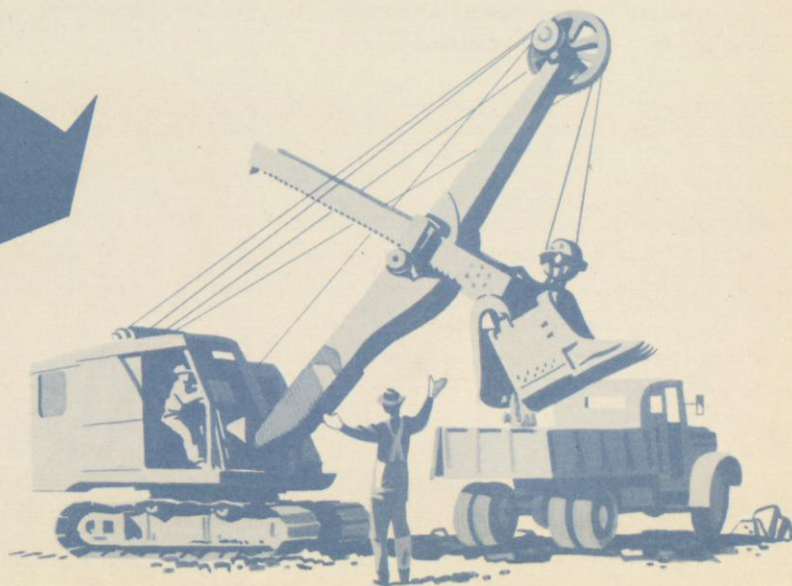
In the program for rehabilitating Japan, we played an important role in aiding Allied and Japanese agencies, governmental and private, to guide Japanese foreign trade back into normal channels.

Early in 1950, Bank of America (International) began operating and it has been a marked success from the start. This is our wholly-owned subsidiary, formed to facilitate and foster trade and commerce between the United States and other countries.

In June, we opened a branch on the Island of Guam, our eighth foreign branch, succeeding a bank previously operated by the United States Navy.

## BRANCH EXTENSION AND MODERNIZATION

WITH SHORTAGES of materials and labor again becoming the prevailing condition, I am pleased to report another year of substantial progress in expanding and modernizing our branch banking premises, in keeping with our growth and our desire to provide for the convenience of customers. In 1950, we completed 65 major construction, remodeling and other projects, at a cost of about \$5,250,000. In the five years, 1946-1950, we completed 221 such projects, representing an investment of



CALIFORNIA GROWTH SINCE 1940  
192% INCREASE IN CONSTRUCTION



about \$18,000,000. Among projects completed within the last five years were 55 new branch buildings. Also, 112 new sites for branch use were purchased at a total cost of about \$4,800,000.

A new branch of Bank of America was established in 1950 in Santa Monica, known as the Wilshire-Euclid branch. During the year, banking facilities were established or reopened at five military locations, including one on the Island of Saipan. Our branch banking system is now composed of 526 branches in California, 22 military banking facilities in California and abroad, and eight overseas offices; also, offices of representatives are maintained in New York, Paris, Milan and Zurich.

## THE BANKAMERICAN FAMILY

THIS COMPLETES my summary of the year's work, and brings me to the subject of the people who did the work—the Bankamerican Family.

My thanks to them, one and all, for a task well performed.

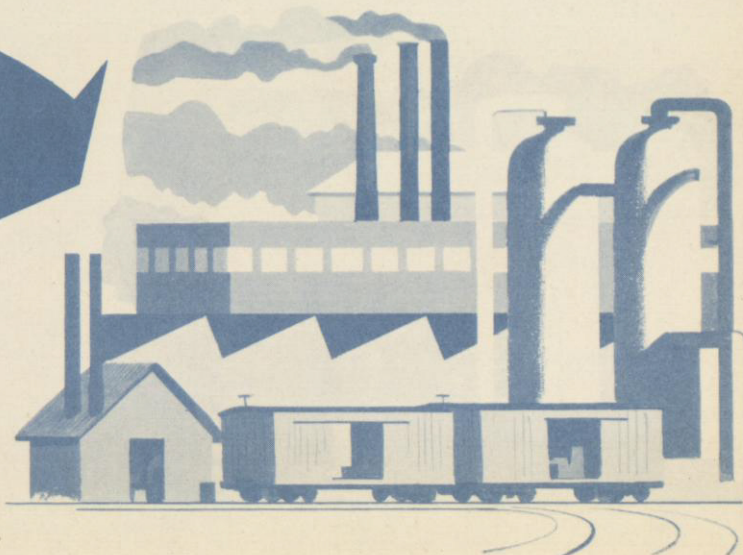
Our staff now comprises more than 16,000 members, an increase of over 1,500 for the year. We hope these new members find at Bank of America their opportunity for a lifetime career in banking.

That seasoned group, the Quarter Century Club, received 86 new members in 1950, making 1,288 Bankamericans who have completed 25 years or more of service. Functioning like the keel of a ship, 1,052 of these tested veterans are still in the active service of the bank.

Upwards of 300 Bankamericans are now in military service and an increase in this number is expected. We wish them a safe, speedy return. They are assured of positions as soon as they can come back to us.

Last November, employees were given a general increase in their salaries.

As reported to you a year ago, the new profit-sharing plan for employees, Bankamerican Family Estate Plan, went into effect January 1, 1950, succeeding and broadening various benefit plans then in operation. It is our intention at a later date to render a detailed report to employees covering the first year's operation of the Plan. Meanwhile, I am pleased to report that the bank's earnings before taxes permitted some \$7,700,000 being devoted to various employee benefits, including a



CALIFORNIA GROWTH SINCE 1940  
OVER 250% INCREASE IN MANUFACTURING



Christmas cash payment, and to investment in stock of the bank for ultimate distribution to staff members. In 1950, first year of the Family Estate Plan, about \$4,000,000 more was provided for various employee benefits than in 1949.

Over a period of years to December 30, 1950, a total of 1,154,746 shares of Bank of America stock had been acquired through profit-sharing plans for participating employees. The total, which includes shares resulting from the stock split in March 1950, had a market value of \$29,879,053 at the closing bid price December 30, 1950.

\* \* \* \* \*

Our stockholder family, now consisting of over 180,000 members, is one of the largest in the country. So many of our stockholders reside in California that this bank is in fact a home-owned institution in every community it serves.

In building the bank and serving our customers, the capable efforts of our staff have been aided and supported by the equally loyal and alert efforts of our stockholders. Many of them are valued customers of the bank, users of its deposit, credit, trust, travelers cheque, safe deposit, and numerous other services. Moreover, it is their custom to bring bank services to the attention of their friends and associates, to the advantage of all concerned.

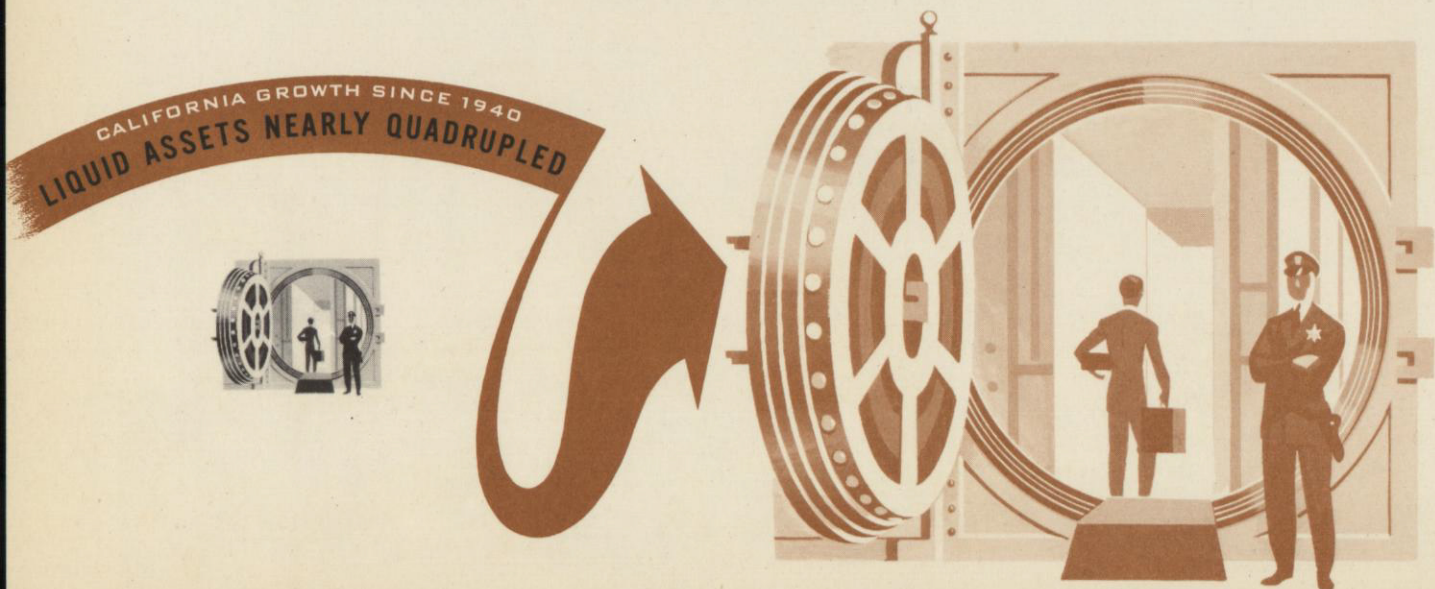
\* \* \* \* \*

The year was marred by the passing of John A. Corotto, who was closely identified with our bank throughout his long and useful life. He was a charter stockholder in the institution, a highly esteemed member of our Board of Directors for many years, and a lifelong friend of our founder, A. P. Giannini.

Roland Tognazzini, president of Union Sugar Company, and a well known leader in agricultural, educational, civic and philanthropic fields in California, was elected a member of our Board of Directors last December.

## THE FEDERAL RESERVE HEARING

TAKING OF EVIDENCE in the Federal Reserve Board's anti-trust proceeding against Transamerica Corporation, to which the bank is not a party, was finally completed





last December. As a by-product of this case, in mid-1950 the Reserve Board took a position directly the opposite of that held by the Comptroller of the Currency in a matter affecting our bank, producing an anomalous situation with reference to 27 branches acquired through purchase of assets of Transamerica-owned banks.

Nine months previously, we had invited the Reserve Board to have its counsel discuss the question of jurisdiction in the matter of issuing branch permits with counsel for the Comptroller and counsel for the bank. The Board did not accept this invitation. In April 1950, the Comptroller notified the Board of his intention to issue permits for the establishment of Bank of America branches at the locations of banks whose assets were to be purchased. More than two months later, and without having made any previous objection, the Reserve Board's solicitor intervened by a highly questionable *ex parte* maneuver at the zero hour in the United States Court of Appeals. This indefensible conduct of the Board's representative reflected discredit on that respected government banking agency, but made necessary a return of the acquired assets to the Transamerica banks.

In the opinion of the bank's counsel, no evidence was presented in the two and one-half years of hearings which supports the Reserve Board's contentions. However, if the Board, acting in its triple role of prosecutor, judge and jury, rules in its own favor, resort will doubtless be had to a review of the entire case by the courts.

## THE CALIFORNIA TREND

CALIFORNIA had a population of 10,586,223 on April 1, 1950, according to the official census figure. This was a gain of 3,678,836, or 53.3 per cent, over the 1940 total—the largest numerical or percentage gain of any state. California accounted for over 19 per cent of the Nation's increase in population during the 1940-1950 census decade.

Other indications of the California trend are given in the graphic illustrations included in this report.





The Korean crisis had a forceful impact on the trend of California business and industrial activity, and on other factors by which we analyze the economy. Employment reached its all-time high and unemployment its all-time low. Manufacturing activity was at a high level, farmers enjoyed one of their best years, possibly the best, and the struggle to catch up with housing and allied requirements produced close to three billion dollars of new construction during the year. Individual incomes continued to rise during the latter months, along with the cost of consumer goods, and dollar volume of trade probably exceeded any previous record.

The effect of Federal Reserve Board credit restrictions and shortages of key materials and commodities was beginning to be felt in some lines as the year drew to a close, and will probably exert still more influence on the pattern of normal business in 1951.

## OUR NATIONAL INTEREST

AS A NATION, we enter the new year with the greatest need in all our history for inspired leadership, national teamwork, and exercise of profound wisdom.

Recent world events make it entirely clear that our efforts to live in peace will be successful only provided they have the backing of defensive strength so impressive, so mighty, that it discourages any acts of aggression, or even the inner ambition to march against free people.

Second sight reveals it was a mistake for us to have decimated our military strength following the armistice. We should have maintained it in a state of preparedness so effective that it would never have to be used.

In this world we can never go *back* to normal. We can only go forward to a *new normal*—in this case a new normal of defensive preparedness sufficient to win and hold our goal of peace.

And so, we are now embarked upon the task of retrieving our postwar mistake of excessive demobilization. The cost will be high, but we are prepared to pay it.

We will pay the price through our sons and daughters in uniform. We will pay the price in higher taxes. We will pay the price in temporary shortages and other inconveniences.

I am convinced, however, that once our national economy has become adjusted to the requirements of an effective preparedness state, we can—if we possess the will—continue our way of life without sacrifice of any essential freedom. Once having established our national impregnability, we can maintain it permanently in every essential aspect and at the same time produce the goods and provide the services



with which our living standard is fashioned. It will be a case of adjustment to a new tempo in all things, which, after all, has always been the basic pattern of our economy to a greater or lesser degree.

The immediate task will be easier, and our goal more quickly won, if labor and management work in harmony, if political expediency is retired to the side lines, and if the Federal government sets the example for the people to follow in matters of economical operation and conservation of resources, including manpower resources.

From now forward, business and industry must make its manpower more productive. It is to be hoped the Federal government will do the same, shouldering its added tasks without further unnecessary inroads into the labor force, by bringing hours and other working conditions of government employes into line with those which must prevail in factories and fields and stores and offices and homes.

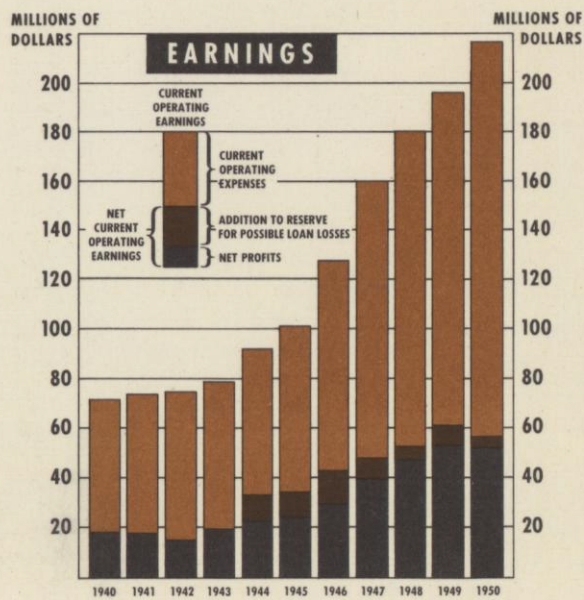
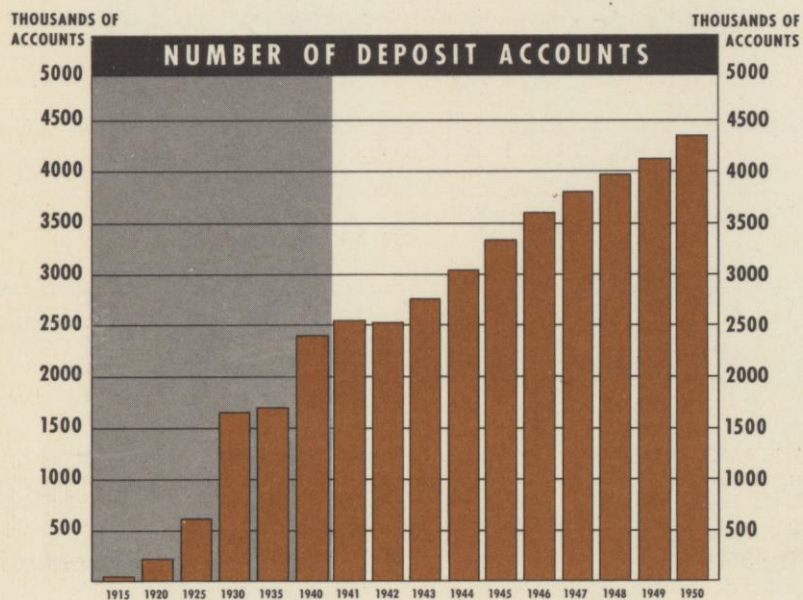
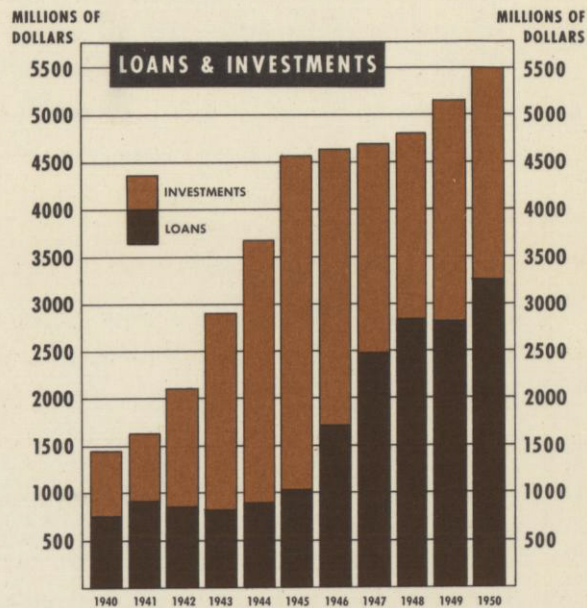
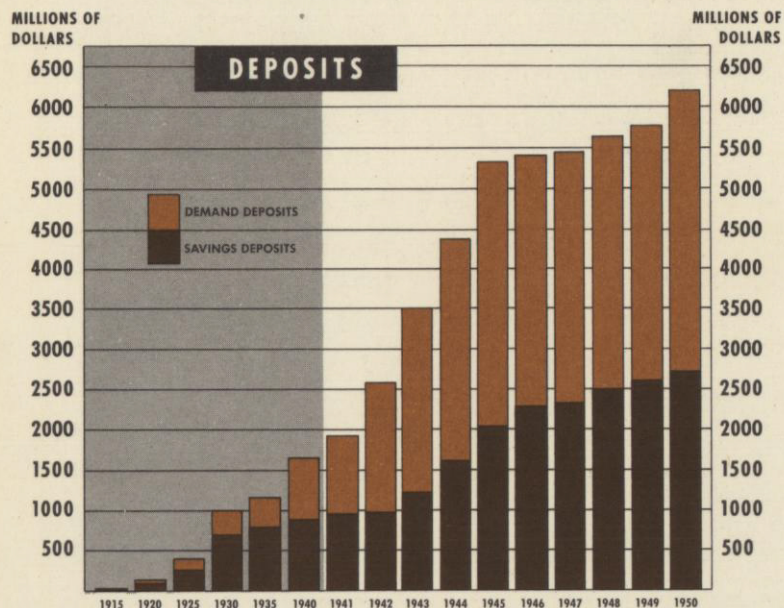
On behalf of our bank, I wish to confirm that which you already know. We shall continue to promote thrift as a means of strengthening the fibre of our people and as a way of combating inflation. To add to the attractiveness of saving money, we have just increased our savings interest rate by one-third, from  $1\frac{1}{2}$  per cent to 2 per cent. Our resources and our resourcefulness will be adapted to the new needs and made fully available to business, industry and government, to facilitate the change-over to our new standard of defensive strength.

Respectfully submitted,

*W. L. Garrison*  
President.









## GROWTH OF BANK OF AMERICA NT&amp;SA

Dec. 31	Total Deposits	Capital	Surplus and Undivided Profits	Loans and Discounts	Investments in Securities	Total Resources	Number of Deposit Accounts (Dec. 23)	No. of Banking Offices
1904	\$ 134,413	\$ 150,000	\$ 1,024	\$ 178,400	\$ 34,446	\$ 285,437	①	1
1905	703,024	300,000	10,000	883,522	24,505	1,021,291	①	1
1906	1,348,723	500,000	31,565	1,471,123	81,571	1,899,947	①	1
1907	1,660,324	500,000	46,945	1,678,222	①	2,221,347	①	2
1908	1,728,899	750,000	78,673	1,669,567	57,884	2,574,005	①	2
1909	2,929,495	750,000	90,820	2,445,137	266,628	3,817,218	①	3
1910	5,348,151	1,000,000	150,000	4,159,459	858,547	6,539,861	①	3
1911	7,129,456	1,000,000	201,649	4,885,974	1,638,000	8,379,347	①	3
1912	9,916,018	1,000,000	251,437	7,092,823	1,846,769	11,228,815	①	4
1913	14,226,242	1,250,000	330,390	10,282,785	2,406,706	15,882,912	42,378	7
1914	16,272,563	1,250,000	350,217	11,457,790	2,677,718	18,030,402	50,253	7
1915	20,474,873	1,250,000	374,244	12,970,068	5,084,363	22,321,861	58,854	7
1916	36,804,776	2,000,000	691,452	23,682,894	7,527,408	39,805,995	90,683	12
1917	72,044,729	3,000,000	1,100,000	47,004,189	13,308,177	77,473,153	141,298	19
1918	85,937,839	5,000,000	2,000,000	59,869,035	14,538,649	93,546,162	161,626	24
1919	127,258,626	6,000,000	2,500,000	74,737,335	33,855,881	137,900,700	189,511	24
1920	140,993,545	9,000,000	3,913,240	95,127,616	37,199,447	157,464,685	221,788	24
1921	177,867,611	10,000,000	5,036,948	116,911,735	43,499,682	194,179,450	291,994	41
1922	229,751,526	15,000,000	7,529,844	152,989,286	59,090,529	254,282,290	401,798	61
1923	276,548,879	15,000,000	8,616,832	200,505,931	56,543,859	301,963,478	485,136	75
1924	328,963,919	17,500,000	10,561,578	204,472,438	96,489,255	358,656,302	548,265	87
1925	389,433,241	17,500,000	13,474,173	228,793,066	121,678,890	422,838,587	595,032	98
1926	416,656,511	20,000,000	16,928,035	255,557,233	129,630,279	460,981,773	616,313	98
1927	645,002,138	37,500,000	25,540,829	403,864,139	238,856,707	765,188,977	1,083,303	289
1928	698,435,841	50,000,000	55,756,632	410,276,641	272,884,061	847,910,539	1,139,076	290
1929	893,892,733	50,000,000	58,251,159	541,617,718	246,538,740	1,055,113,373	1,444,090	292
1930	998,039,477	50,000,000	54,136,374	669,258,341	249,139,543	1,161,895,889	1,625,381	353
1931	749,796,772	50,000,000	54,290,312	548,431,954	237,965,856	925,150,152	1,542,783	346
1932	700,447,811	50,000,000	49,890,774	480,675,374	262,952,550	876,309,347	1,380,550	345
1933	767,817,646	50,000,000	49,591,605	458,693,566	311,084,996	941,001,838	1,357,224	345
1934	978,332,802	50,000,000	47,164,341	461,645,975	477,989,657	1,142,323,319	1,547,604	413
1935	1,155,265,465	50,000,000	50,867,307	451,009,354	622,694,559	1,277,419,381	1,677,558	421
1936	1,298,976,759	50,000,000	55,024,112	532,076,966	625,809,982	1,430,337,201	1,911,035	466
1937	1,357,378,756	50,000,000	59,104,964	630,668,811	553,131,379	1,493,373,095	2,123,057	491
1938	1,437,027,491	50,000,000	64,058,600	673,828,309	557,632,428	1,574,721,670	2,182,298	494
1939	1,482,791,676	50,000,000	66,845,842	711,054,697	604,268,671	1,628,586,278	2,268,843	495
1940	1,632,228,397	62,000,000②	82,278,753	778,295,101	668,676,296	1,817,535,186	2,384,551	495
1941	1,908,383,921	60,800,000②	83,634,808	914,569,553	693,113,910	2,095,635,619	2,538,783	495
1942	2,586,140,699	59,215,920②	83,151,214	840,469,960	1,265,749,444	2,771,689,632	2,512,805	487
1943	3,498,153,210	58,102,920②	87,051,168	810,660,642	2,095,432,722	3,697,912,675	2,743,231	488③
1944	4,350,539,688	68,085,560②	140,779,201	894,436,931	2,740,064,364	4,609,124,133	3,054,803	491③
1945	5,339,307,098	108,085,560②	117,155,495	1,018,741,456	3,533,172,278	5,626,063,927	3,316,494	493③
1946	5,415,849,715	106,646,375	130,235,547	1,722,743,513	2,882,151,377	5,765,525,193	3,619,925	500③
1947	5,467,199,162	106,646,375	150,525,936	2,492,979,739	2,170,721,906	5,845,817,669	3,815,802	508③
1948	5,639,523,419	106,646,375	172,872,255	2,807,070,398	1,945,231,719	6,072,913,872	3,978,403	517③
1949	5,775,110,029	127,975,650	177,868,961	2,804,522,646	2,322,505,622	6,250,402,352	4,120,523 (November 23)	525③
1950	6,191,705,871	150,000,000	244,822,146	3,256,953,558	2,243,415,017	6,863,358,214	4,338,930	526③

① Not available.

② Includes Preferred Stock but does not include Reserve for Increase of Common Capital, which amounted to \$1,200,000 in 1941, \$2,784,080 in 1942, \$3,897,080 in 1943, and \$3,914,440 in 1944. This Reserve was not needed and was transferred to Undivided Profits on June 15, 1945, concurrently with the payment of a 66% stock dividend. During 1946, 400,327 shares of Preferred Stock (\$8,006,540 Par Value) were converted into 531,710 shares of Common Stock (\$6,646,375 Par Value), and the difference in par value, \$1,360,165, was credited to Surplus Account. The remaining shares of Preferred Stock, 3,951, were retired by call July 31, 1946.

③ In addition, the Bank was operating 31 "Military Facilities" at December 31, 1943; 42 at December 30, 1944; 39 at December 31, 1945; 15 at December 31, 1946; 12 at December 31, 1947, and 1948; 17 at December 31, 1949; and 22 at December 30, 1950.



